AGENCY AGREEMENT

THIS AGREEMENT is made as of the 19th day of August, 2004

AMONG

OHS CAPITAL CORP., a corporation incorporated under the laws of the Province of Alberta, with an office in the City of Calgary, in the Province of Alberta

(the "**Corporation**")

AND

GOLDEN CAPITAL SECURITIES LTD., a corporation incorporated under the laws of British Columbia, with an office at 168 – 1177 West Hastings Street, Vancouver, British Columbia V6E 2K3

(the "**Agent**")

AND

CIBC MELLON TRUST COMPANY, a trust company with an office at 600, 333 – 7th Avenue SW, Calgary, Alberta T2P 2Z1

(the "**Trustee**")

WHEREAS:

A. the Corporation wishes to raise funds by an initial public offering of Common Shares in the Offering Jurisdictions;

B. the Corporation has agreed to file a Prospectus in accordance with the Securities Legislation in order to qualify the distribution of the Offered Common Shares and the Agent's Option;

C. the Corporation has not entered into a transaction of a nature material to the Corporation, including the identification of a proposed Qualifying Transaction;

D. the Corporation has agreed to retain the Agent as its exclusive agent to solicit subscriptions for the Offered Common Shares on a reasonable best efforts basis, and the Agent has agreed to act in such capacity upon the terms and conditions hereinafter set out; and

E. the Trustee has agreed to act as trustee of all Subscription Funds on behalf of the Corporation subject to the terms and conditions hereof;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 For the purposes of this Agreement, including the recitals and any amendment hereto, the following words and phrases shall have the following meanings:

(a) "**Agent's Commission**" has the meaning ascribed thereto in Section 3.1;

(b) "**Agent's Option**" means the sole, exclusive, irrevocable and non-transferable option to purchase 100,000 Common Shares, exercisable at a price of $0.30 per Common Share within eighteen months from the date the Common Shares are listed and posted for trading on the Exchange, to be granted by the Corporation to the Agent in accordance with Section 3.4;

(c) "**Agent's Option Agreement**" has the meaning ascribed thereto in Section 3.4;

(d) "**Agent's Option Shares**" means the Common Shares to be issued on exercise of the Agent's Option;

(e) "**Agreement**" means this agreement and the schedules hereto;

(f) "**Agreement in Principle**" has the meaning given in the Policy;

(g) "**Closing**" means the closing of the issue and sale of the Offered Common Shares as herein contemplated;

(h) "**Closing Date**" means the date upon which the Closing occurs, which date shall be determined by agreement between the Corporation and the Agent and shall not be more than ninety days from the date of the issuance of a receipt for the Prospectus by the Commissions, or such other date as the parties hereto may agree and the Securities Legislation may allow;

(i) "**Commissions**" means the Alberta Securities Commission and British Columbia Securities Commission;

(j) "**Common Shares**" means common shares in the capital of the Corporation;

(k) "**Final Exchange Bulletin**" means the Exchange Bulletin issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction;

(l) "**Exchange**" means the TSX Venture Exchange Inc.;

(m) "**Minimum Offering**" means the offer by the Corporation to sell a minimum of 1,000,000 Common Shares at a price of $0.30 per Common Share for aggregate gross proceeds of $300,000, as contemplated by the Prospectus and this Agreement;

(n) "**Misrepresentation**" has the meaning ascribed thereto by the Securities Legislation;

(o) "**Offered Common Shares**" means the Common Shares offered for sale by the Corporation pursuant to the Offering, as contemplated by the Prospectus and this Agreement;

(p) "**Offering**" means the offer by the Corporation to sell such minimum number of Common Shares as is contemplated by the Minimum Offering, all as contemplated by the Prospectus and this Agreement;

(q) "**Offering Jurisdictions**" means the provinces of Alberta and British Columbia;

(r) "**Offering Period**" means a period of 90 days after the date of the receipt for the Prospectus issued by the Commissions or such later date as may be agreed to by the Corporation and the Agent and is consented to by persons or companies who subscribed within said 90 day period;

(s) "**Policy**" means Policy 2.4 of the Exchange entitled "Capital Pool Companies" and all orders, policies, rules, regulations and by-laws of the Commissions and Exchange which govern offerings by capital pool companies, as amended from time to time;

(t) "**Preliminary Prospectus**" means the preliminary prospectus of the Corporation dated July 14, 2004 duly approved, signed, certified and filed in accordance with the Securities Legislation relating to the distribution of the Offered Common Shares, Agent's Option and Stock Options;

(u) "**Prospectus**" means the prospectus of the Corporation, and any amendment thereof, duly approved, signed, certified and filed in accordance with the Securities Legislation qualifying the Offered Common Shares for distribution in the Offering Jurisdictions and qualifying the Agent's Option and the Stock Options for distribution in the Offering Jurisdictions;

(v) "**Qualifying Transaction**" has the meaning given in the Policy;

(w) "**Securities Legislation**" means the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) and the regulations and rules thereto and the policy statements, notices and blanket orders of the Commissions, the national policy statements and national instruments applied by the Commissions, and the policies, by-laws and rules of the Exchange;

(x) "**Sponsor**" has the meaning given in Policy 1.1 of the Exchange;

(y) **"Stock Options"** means options to be granted to directors and officers of the Corporation, under which directors and officers of the Corporation will have the option to purchase an aggregate of up to 105,000 Common Shares at a purchase price of $0.30 per share for five years from the date the options are granted;

(z) "**Subscribers**" means subscribers for Offered Common Shares;

(aa) "**Subscription Funds**" means the funds received in respect of subscriptions for the Offered Common Shares pursuant to and in accordance with the terms of the Prospectus and this Agreement;

(bb) "**Time of Closing**" means 10:00 a.m. (Vancouver time) on the Closing Date or such other time on the Closing Date as the Corporation and the Agent may agree; and (cc) "**Total Subscription**" means the number of Common Shares subscribed for pursuant to the Offering and accepted by the Corporation and the Agent, which number of Common Shares must be equal to the number of Common Shares contemplated by the Minimum Offering and which subscriptions must be from not less than 200 Subscribers with each Subscriber beneficially owning at least 1,000 Offered Common Shares.

1.2 For the purposes of this Agreement, all references to "Dollars" or "$" shall mean Canadian funds, unless otherwise specified.

1.3 The headings of the Articles of this Agreement are inserted for convenience of reference only and shall not in any manner affect the construction or meaning of anything herein contained or govern the rights or liabilities of the parties hereto.

1.4 Words importing the singular number only shall include the plural and vice versa and words of gender shall entail all genders, including the neuter gender and words importing persons shall include companies, corporations, partnerships, syndicates, trusts and any number or aggregate of persons.

ARTICLE 2
APPOINTMENT OF AGENT

2.1 Subject to the terms hereof, the Agent is hereby appointed by the Corporation, and the Agent hereby agrees to act, as the sole and exclusive agent of the Corporation to solicit subscriptions to purchase the Offered Common Shares from Subscribers in the Offering Jurisdictions. The Agent shall use its reasonable best efforts to obtain subscriptions to purchase all of the Offered Common Shares. The Agent shall act as agent only and shall be under no obligation to purchase any of the Offered Common Shares. The Agent may retain as sub-agents, or may form a syndication of, other registered securities dealers and may receive subscriptions from such securities dealers. The Agent shall be under no liability for any failure to sell any or all of the Offered Common Shares, to engage sub-agents or to form a syndication, provided that the Agent uses its reasonable best efforts to obtain subscriptions to purchase all of the Offered Common Shares (it being understood that this proviso shall in no way derogate from the Agent's rights under Article 12).

2.2 The Agent shall secure from each Subscriber such certificates, documents and forms as may be required by the Securities Legislation and such questionnaires, undertakings and other material as may, in the opinion of the Agent, be required by the Exchange.

ARTICLE 3
AGENT'S FEES

3.1 In consideration of the Agent agreeing to act as agent for the Offering, the Corporation agrees to pay to the Agent at the Time of Closing a cash commission equal to 10% of the gross proceeds of the Offering (the "**Agent's Commission**"). The Agent's Commission shall be paid by the Corporation to the Agent by certified cheque or in such other manner as is satisfactory to the Agent.

3.2 The Corporation will also pay to the Agent a non-refundable fee (the "**Corporate Finance Fee**") of $10,000 (plus G.S.T.), of which $5,000 (plus G.S.T.) has already been paid by the Corporation, the receipt of which is hereby acknowledged, and of which $5,000 (plus G.S.T.) is due and payable to the Agent at the Time of Closing.

3.3 If the Agent retains sub-agents or receives subscriptions from a syndication, the Agent, in its sole discretion, may pay them a fee as may be agreed among them, but in no event shall the Corporation be required to pay a fee in excess of the Agent's Commission.

3.4 Notwithstanding the fact that the Agent is not obligated to purchase any Offered Common Shares and on the express condition precedent that the Closing occurs, the Corporation agrees to grant the Agent's Option to the Agent and to such sub-agents or syndication as the Agent may direct, at the Time of Closing, and to execute and deliver an agreement setting forth the terms and conditions of the Agent's Option, which shall be in the form of the option agreement appended hereto as Schedule "A" (the "**Agent's Option Agreement**"). The Agent's Option shall be qualified under and be distributed pursuant to the Prospectus.

ARTICLE 4
SUBSCRIPTIONS

4.1 Residents of the Offering Jurisdictions may subscribe to purchase Offered Common Shares by delivering to the Agent on or prior to the Closing Date payment of the aggregate subscription price in respect of the Offered Common Shares subscribed for, along with such other documents the Agent may request in accordance with Section 2.2.

4.2 Subscription Funds received by the Agent shall be delivered by the Agent to the Trustee as soon as practicable after receipt, and in any event prior to the Time of Closing, and shall be held by the Trustee in trust for the Subscribers pursuant to the terms of this Agreement, and shall be dealt with by the Trustee as provided in Articles 5 and 7 hereof.

ARTICLE 5
THE TRUSTEE

5.1 The Trustee is hereby appointed as escrow agent and custodian for the receipt and holding of any and all Subscription Funds in accordance with Section 4.2 and the Trustee, by its execution and delivery of this Agreement, accepts such appointment.

5.2 Subscription Funds received by the Agent shall be delivered by the Agent to the Trustee as soon as practicable after receipt, and in any event prior to the Time of Closing, and shall be held by the Trustee in trust for the Subscribers pursuant to the terms of this Agreement, and shall be dealt with by the Trustee as provided in Articles 5 and 7 hereof.

5.3 The Trustee may accept Subscription Funds in the form of cash, certified cheque or bank draft or in other form acceptable to the Trustee.

5.4 The Trustee shall hold Subscription Funds in a non-interest bearing account within the Trustee's financial system or with a Canadian chartered bank, which may be an affiliate of the Trustee, until the Time of Closing, at which time such funds shall be released in accordance with the provisions of Article 7 hereof.

5.5 Prior to requesting a release of Subscription Funds, the Corporation shall deliver to the Trustee a certificate of the Corporation and the Agent jointly confirming acceptance by the Corporation of the Total Subscription and advising the Trustee which subscriptions, if any, have been rejected (in whole or in part) by the Corporation.

ARTICLE 6
INDEMNITY OF TRUSTEE

6.1 The Corporation shall indemnify and save harmless the Trustee against and from all reasonable costs which may be incurred by the Trustee in performance of its duties hereunder; provided, however, that all Subscription Funds, while in the custody of the Trustee, shall be and shall remain at the sole risk and responsibility of the Trustee. The Trustee shall be liable to the Corporation for any loss related to the Subscription Funds or any interest thereon while in the custody of the Trustee.

6.2 Subject to Section 6.1 and without limiting any protection or indemnity of the Trustee and its officers, directors, employees and agents under any other provisions hereof or otherwise at law, the Corporation hereby agrees to indemnify and hold harmless the Trustee, its directors, officers, employees and agents from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal or advisor fees and disbursements, of whatever kind and nature, which may at any time be imposed on, incurred by or ascertained against the Trustee in connection with the performance of its duties and obligations hereunder, other than such liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements arising by reason of the negligence or willful misconduct of the Trustee or its officers, directors, employees and agents. If any matter or thing contemplated by this Section 6.2 shall be asserted against the Trustee, the Trustee shall notify the Corporation as soon as practicable of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim; provided however, that the defence shall be through legal counsel acceptable to the Trustee, acting reasonably, and that no settlement may be made by the Corporation or the Trustee without prior written consent of the other. If the Corporation assumes the defence of any such suit, the Trustee shall continue to have the right to employ its own counsel, which shall be acceptable to the Corporation, in any proceeding relating to the claim contemplated by this Section 6.2 and the fees and expenses, of a reasonable dollar amount, of such counsel shall be recoverable by the Trustee from the Corporation to the extent that the same shall be covered by the indemnity in this Section 6.2 if:

(a) the Trustee has been advised by such counsel that there may be legal defences available to it which are different from or additional to defences available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such proceedings on the Trustee's behalf);

(b) the Corporation shall not have undertaken the defence of such proceedings and employed counsel within 15 days after notice of commencement of such proceedings; or

(c) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceeding.

This provision shall survive the resignation or removal of the Trustee, or the termination of this Agreement.

6.3 The Trustee may, in relation to the trusts herein created, act on the opinion or advice or information obtained from any lawyer or other expert, whether retained by the Trustee, the Corporation or the Agent, or otherwise, but shall not be bound to act upon such opinion, advice or information and shall not be held responsible for any loss occasioned for so acting or not so acting, as the case may be, except where such loss results from the negligence or willful misconduct of the Trustee or its officers, directors, employees and agents. The Trustee may employ such assistance as may be necessary to properly discharge its duties and may pay any reasonable monies required for any legal or other advice as aforesaid.

6.4 In respect of the discharge of any of its duties set forth hereunder, the Trustee shall be entitled to rely upon a certificate signed by the President or any single director of the Corporation and, where applicable, of the Agent.

6.5 The Trustee may rely on any certificate, opinion, or other instruction purporting to be a certificate, opinion or other instruction referred to in this Agreement and on the truth of the facts as set out herein and therein. The Trustee shall not be liable for any error in judgment, for any act done or step taken or omitted by it in good faith, or as a result of a mistake in fact or for anything it may do or refrain from doing in connection herewith except for the negligence or willful misconduct of the Trustee or its officers, directors, employees and agents.

6.6 The Trustee shall have no duties and obligations except as set out herein.

ARTICLE 7
RELEASE OF SUBSCRIPTION FUNDS

7.1 The Trustee shall not at any time deliver any Subscription Funds received by it to the Corporation until it shall have received each of the following:

(a) the certificate referred to in Section 5.5 hereof; and

(b) written instructions from the Agent and the Corporation instructing the Trustee to deliver the Subscription Funds to the Corporation and any other parties as directed.

7.2 Upon receiving the documentation referred to in Section 7.1 hereof and subject to Section 7.4 hereof, the Trustee shall deliver to the Corporation (or to such other or additional parties as the Corporation and the Agent may direct) at Closing all Subscription Funds held by it pursuant to this Agreement.

7.3 If the Trustee has not received the documentation referred to in Section 7.1 hereof by the expiry of the Offering Period, the Trustee shall promptly thereafter, and in any case not later than seven days from the expiry of the Offering Period, remit to each Subscriber such Subscriber's Subscription Funds as are held by the Trustee, without interest or deduction, unless the Subscribers have otherwise instructed the Trustee.

7.4 If the subscription of any Subscriber delivered to the Agent is for any reason rejected (in whole or in part) by the Corporation, the Subscription Funds in respect of such rejected subscription shall be forthwith returned to such Subscriber without interest or deduction.

ARTICLE 8
TRUSTEE FEE

8.1 The Corporation will pay to the Trustee for its services hereunder the remuneration mutually agreed to by the Corporation and the Trustee and, in addition, the Trustee, upon presentation of its accounting and supporting invoices therefor, shall be reimbursed for all reasonable disbursements and out-of-pocket costs incurred by it in the furtherance of its duties hereunder, including, without limiting the generality of the foregoing, any reasonable costs and disbursements incurred pursuant to Section 7.3 hereof.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

9.1 The Corporation represents and warrants to the Agent, and hereby acknowledges that the Agent is relying on such representations and warranties in entering into this Agreement as follows:

(a) the Corporation has been duly incorporated and organized and is valid and subsisting and in good standing under the laws of its jurisdiction of incorporation and has all the requisite corporate power and capacity to carry on its business as now conducted and as presently proposed to be conducted;

(b) the Corporation has full corporate power and authority to enter into this Agreement and to perform its obligations set out herein and this Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable in accordance with its terms, subject to the general qualification that:

(i) enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally;

(ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

(iii) the equitable or statutory powers of the courts in Canada having jurisdiction to stay proceedings before them and the execution of judgments may be limited under applicable law; and

(iv) rights to indemnity, contribution and waiver hereunder and the ability to sever unenforceable terms may be limited under applicable law;

(c) the Corporation does not own or have an interest in any assets other than cash or short term investments;

(d) the Corporation has no business operations of any kind other than as permitted by the Policy;

(e) the authorized capital of the Corporation and the issued capital of the Corporation is as disclosed in the Prospectus; all of the issued and outstanding securities have been duly issued in compliance with all applicable securities and corporate laws and are fully paid and non-assessable; to the best of the knowledge of the Corporation, none of the issued and outstanding securities of the Corporation are owned directly or indirectly by any director, officer, employee or contractor of the Agent or any Affiliates (as defined by the Policies of the Exchange) of any of the foregoing except as disclosed in the Prospectus, and no person, firm or corporation has any agreement or option, or right or privilege, whether preemptive or contractual, capable of becoming an agreement, including convertible securities, for the purchase, subscription or issuance of any unissued shares or other securities of the Corporation except as disclosed in the Prospectus;

(f) to the best of the knowledge of the Corporation, there is no action, proceeding or investigation pending or threatened against the Corporation before or by any federal, provincial, state, municipal, county or other governmental department, commission, board or agency, domestic or foreign, which may result in any adverse change in the condition, financial or otherwise, of the Corporation, or which questions the validity of any action taken or to be taken by the Corporation pursuant to or in connection with this Agreement or as contemplated by the Prospectus;

(g) there is not, in the constating documents or by-laws of the Corporation or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of its Common Shares;

(h) the audited financial statements of the Corporation, including the notes thereto, contained in the Prospectus present fairly, in all material respects, the financial position and condition of the Corporation as at the date thereof, reflect all liabilities (absolute, accrued, contingent or otherwise) of the Corporation as at the date thereof, and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and there has not been any material adverse change in such position or condition since such date;

(i) no event of material default under the constating documents, by-laws or resolutions of the Corporation or under any agreement or instrument to which the Corporation is a party has occurred and no event which with the giving of notice or the passage of time or both would constitute an event of material default under the constating documents, by-laws or resolutions of the Corporation or under any such agreement or instrument has occurred and is continuing;

(j) the Corporation has not entered into a transaction of a nature material to the Corporation, other than as disclosed in the Prospectus, including the identification of a proposed Qualifying Transaction;

(k) the Corporation has not reached an Agreement in Principle and the board of directors of the Corporation has not reached a “meeting of minds” with other parties to a Qualifying Transaction on the fundamental terms of a Qualifying Transaction in respect of which no material conditions (such as the completion of a financing, the maturation of a business, the development of assets or the approval of a third party) exist, the satisfaction of which is outside the control of the Corporation;

(l) the Corporation has not made any payment which is prohibited under Section 8 of the Policy;

(m) except as disclosed herein or in the Prospectus, there is no person, firm or corporation acting or purporting to act for the Corporation entitled to any brokerage or finder’s fee in connection with any of the transactions contemplated herein;

(n) the execution and delivery by the Corporation of this Agreement and the performance of its obligations hereunder will not result in any breach or violation of, be in conflict with or constitute a default under any term or provision of the constating documents of the Corporation, any shareholders’ or directors’ resolutions of the Corporation, or any agreement to which the Corporation is a party or by which the Corporation or any of its property is bound;

(o) no approval, authorization, consent or other order of any governmental authority is required in connection with the execution, delivery or performance by the Corporation of this Agreement except requisite filings with the Commissions and the Exchange and final consent to the Offering from the Exchange;

(p) the Corporation has complied with and will comply fully with the requirements of all applicable corporate and securities laws, including, without limitation, the Securities Legislation and the *Business Corporations Act* (Alberta) in relation to the issue and trading of its securities and in all matters relating to the Offering;

(q) except as disclosed in the Preliminary Prospectus and the Prospectus, no order ceasing or suspending trading in securities of the Corporation or prohibiting the sale of such securities has been issued against: (i) the Corporation; (ii) to the best of the Corporation's knowledge, after due inquiry, any of the Corporation's directors, officers, insiders and promoters; or (iii) to the best of the Corporation's knowledge, after due inquiry, any other companies that have common directors, officers, insiders and promoters; and no proceedings for this purpose have been instituted or are pending, contemplated or threatened;

(r) to the best of the Corporation's knowledge, none of the directors or senior officers of the Corporation, or any holder of more than 10% of its outstanding Common Shares, or any associate or affiliate (as such terms are defined in the *Securities Act* (Alberta)) of any of the foregoing persons has or has had any material interest, direct or indirect, in any continuing or existing material transaction or has any material interest, direct or indirect, in any proposed material transaction which, as the case may be, is material to or would materially affect the Corporation, except as stated in the Prospectus;

(s) no securities commission or other governmental authority has issued any order preventing or suspending the use of the Preliminary Prospectus or the Prospectus;

(t) all statements, facts, data, information and material made, furnished or provided from time to time by the Corporation in writing to the Agent relating to the Corporation were true and correct as at the respective dates of said documents and all material facts relating to the Corporation have been fully disclosed to the Agent and such statements, facts, data, information and material did not and do not (except where modified or superseded by subsequently provided statements, facts, data, information and materials) contain an untrue statement of a material fact or omit to state a material fact necessary in order to make any statement or fact contained therein not misleading in light of the circumstances in which it was made;

(u) the directors and senior officers of the Corporation have been provided with a copy of the Preliminary Prospectus and the Prospectus for their review, and the directors have duly approved the Preliminary Prospectus and the Prospectus at the respective times they were filed with the Commissions and the Exchange, and have authorized their distribution by the Agent in connection with the Offering;

(v) except statements of fact relating solely to the Agent (for which the Corporation makes no representation or warranty) that were furnished to the Corporation by the Agent expressly for inclusion in the Prospectus, the Prospectus contains full, true and plain disclosure of all material facts in relation to the Offered Common Shares, the Agent's Option and the Stock Options as required by the Securities Legislation; none of the statements or facts contained in the Prospectus is false or misleading, and there has been no omission to state any material fact in the Prospectus necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made;

(w) the Trustee, at its principal offices in the City of Calgary, has been appointed transfer agent and registrar for the Common Shares;

(x) upon payment of the proceeds for the Offered Common Shares, the Offered Common Shares will be validly authorized and issued, the Agent's Option will be validly created, authorized and delivered and the Agent's Option Shares will be validly authorized, allotted and reserved for issuance upon the exercise of the Agent's Option in accordance with its terms, and the Offered Common Shares and Agent's Option Shares will, when issued, be issued as fully paid and non-assessable securities and will be issued free and clear of all liens, charges and encumbrances of any kind whatsoever;

(y) the minute books of the Corporation are true, complete and correct and contain the minutes of all meetings and all resolutions of the directors and shareholders thereof; and

(z) all statements, facts, data, information and materials provided from time to time by the Corporation in writing to the Agent relating to the Corporation, the directors and officers of the Corporation, and, if applicable, the Corporation's specified proposed Qualifying Transaction are true and correct, and all material facts relating to the subject matter thereof have been fully disclosed to the Agent, and such statements, facts, data, information and materials did not and do not contain a Misrepresentation.

ARTICLE 10
COVENANTS OF THE CORPORATION

10.1 Forthwith following execution of this Agreement, the Corporation will use its best efforts to take or cause to be taken all steps and proceedings that may be necessary under the Securities Legislation, including but not limited to, the filing of the Prospectus and the obtaining of a receipt by the Commissions for the Prospectus, to qualify the Offered Common Shares for distribution to the public resident in the Offering Jurisdictions through the Agent and sub-agents, syndication or other registered securities dealers and to qualify for distribution the Agent's Option.

10.2 The Corporation shall promptly notify the Agent in writing of full particulars of any material change, actual, anticipated or threatened, during the period of distribution to the public of the Offered Common Shares pursuant to the Offering:

(a) in the business or affairs of the Corporation;

(b) relating to any director or officer of the Corporation of which the Corporation is aware, after due inquiry;

(c) in any material fact contained in or omitted from the Preliminary Prospectus or the Prospectus or in any material supplemental thereto supplied by the Corporation, which is of such a nature as to render the Preliminary Prospectus or the Prospectus or material supplemental thereto, misleading or untrue;

(d) in any statements, facts, data, personal information form or materials provided to the Agent with respect to the directors and officers of the Corporation of which the Corporation is aware, after due inquiry, or any potential Qualifying Transaction; and

(e) in any of the representations and warranties contained in Article 9;

and the Corporation shall file under the applicable Securities Legislation with all possible dispatch, and in any event within any statutory limitation period therefore such new or correcting information, amendments and other documents as the circumstances may require. The Corporation shall further provide the Agent with such copies of such information, amendments or other documents as the Agent may reasonably require.

10.3 The Corporation shall in good faith discuss with the Agent any change in circumstances which is of a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to Section 10.2 hereof.

10.4 The Corporation covenants with the Agent that it will advise the Agent promptly of any request of the Commissions, the Exchange or other regulatory body for any amendment to the Preliminary Prospectus or the Prospectus or for any additional information, or the issuance by the Commissions, the Exchange or any other regulatory body of any cease trading order or suspension order relating to the Common Shares or of the institution of any such proceedings. The Corporation covenants to use its reasonable best efforts to prevent the issuance of any such cease trading order or suspension order and, if issued, to obtain the withdrawal thereof as soon as possible.

10.5 The Corporation, from time to time at its expense, shall deliver to the Agent, at the direction of the Agent, as many commercial copies of the Preliminary Prospectus and the Prospectus (and in the event of an amendment, of such amended Preliminary Prospectus or Prospectus) as the Agent may reasonably request, and any such delivery shall constitute the consent of the Corporation to the use thereof in connection with the Offering subject to the provisions of Securities Legislation relating thereto.

10.6 Delivery of the Preliminary Prospectus and the Prospectus shall constitute a representation and warranty by the Corporation to the Agent that all information and statements (except information and statements relating solely to or provided solely by the Agent) contained in the Preliminary Prospectus and the Prospectus are true and correct in all material respects at the time of delivery thereof and contain no Misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation, and that no material fact has been omitted therefrom (except facts relating solely to the Agent) which is required to be stated therein or is necessary to make the statements or information contained therein not misleading in light of the circumstances under which it was made. Such delivery shall also constitute the Corporation's consent to the Agent's use of the Preliminary Prospectus and the Prospectus for the distribution of the Offered Common Shares in the Offering Jurisdictions in compliance with the provisions of this Agreement and applicable Securities Legislation.

10.7 The proceeds received by the Corporation from the sale of the Offered Common Shares will be used by the Corporation as described in the Prospectus under the heading "Use of Proceeds" and in compliance with the provisions of the Policy.

10.8 (a) The Corporation covenants and agrees to protect, indemnify and save harmless the Agent and its directors, officers, employees, shareholders and agents (each an "**Indemnified**

Party") from and against all losses, claims, damages, liabilities, costs or expenses (other than loss of profits), in any way caused, sustained or incurred by reason of or resulting directly from:

(i) any statement or information contained in or omitted from the Preliminary Prospectus, the Prospectus, any amended Prospectus and additional or ancillary document, or material that may be filed or required to be filed in connection with the Offering under the Securities Legislation, except statements or information relating solely to the Agent and provided by the Agent, which, at the time and in light of the circumstances under which it was made, was false or misleading with respect to any material fact or which omits to state any material fact, the omission of which makes the statement false or misleading;

(ii) any breach of the representations, warranties and covenants of the Corporation contained herein;

(iii) any prohibition or restriction of trading in the securities of the Corporation or any prohibition affecting the distribution of the Offered Common Shares which may be ordered by any one or more competent authorities if such prohibition is based on any statement or omission made by the Corporation in the Prospectus, except statements or omissions relating solely to the Agent and provided by or omitted to be provided by the Agent;

(iv) the Prospectus failing to comply with the requirements of the Securities Legislation in the Offering Jurisdictions so as to permit the lawful sale of the Offered Common Shares or by reason of the Corporation having failed to take or cause to be taken such steps or proceedings as were necessary to permit the lawful sale of the Offered Common Shares as contemplated by the Prospectus and as contemplated hereby; and

(v) any formal inquiry or investigation, whether prior to or subsequent to Closing, into the affairs, records or accounts of the Corporation or into holdings of securities of the Corporation or transactions in securities of the Corporation, which is commenced or contemplated by either or both of the Commissions or the Exchange except where same relates solely to the activities of the Agent.

(b) If any matter or thing contemplated by Section 10.8(a) shall be asserted against the Indemnified Party, the Indemnified Party shall notify the Corporation as soon as possible of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim; provided however, that the defence shall be through legal counsel acceptable to the Indemnified Party, acting reasonably, and that no settlement may be made by the Corporation or the Indemnified Party without prior written consent of the other. If the Corporation assumes the defence of any such suit, the Indemnified Party shall continue to have the right to employ its own counsel, which shall be acceptable to the Corporation, in any proceeding relating to the claim contemplated by Section 10.8(a) and the reasonable fees and expenses of such counsel shall be recoverable by the Indemnified Party from the Corporation to the extent that the same shall be covered by the indemnity in Section 10.8(a) if:

(i) the Indemnified Party has been advised by such counsel that there may be legal defences available to it which are different from or additional to defences available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such proceedings on the Indemnified Party's behalf;

(ii) the Corporation shall not have undertaken the defence of such proceedings and employed counsel within 15 days after notice of commencement of such proceedings; or

(iii) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceedings.

(c) To the extent that any Indemnified Party is not a party to this Agreement, the Agent shall obtain and hold the right and benefit of this Section 10.8 in trust for and on behalf of such Indemnified Party.

(d) The indemnity provided herein shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(i) the Agent or its directors, officers and/or employees have been grossly negligent or have committed any fraudulent act; and

(ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the gross negligence or fraud referred to in Section 10.8(d)(i).

(e) In the event that, for any reason (other than the occurrence of any of the events itemized in Section 10.8(d) above), the indemnity provided for in this Section 10.8 is unenforceable, the Agent and the Corporation shall contribute to the aggregate of all losses, claims, costs, damages, expenses or liabilities of the nature provided in this Section 10.8 in such proportion as is appropriate to reflect the relative benefits and faults of the Corporation and the Agent, provided that the Corporation shall, in any event, contribute to the amount payable by the Agent as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the Agent's Commission paid to the Agent pursuant to Section 3.1 hereof.

Notwithstanding the foregoing, a person guilty of fraudulent misrepresentation shall not be entitled to contribution from any other party. Any party entitled to contribution will notify, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this subsection, such party or parties from whom contribution may be sought. In no case shall such party from whom contribution may be sought be liable under this subsection unless such notice shall have been provided, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any other obligation it may have otherwise than under this subsection. The right to contribution provided in this subsection shall be in addition to and not in derogation of any other right to contribution which the Agent or the Corporation, as the case may be, may have by statute or otherwise by law.

(f) The Corporation hereby consents to personal service, jurisdiction and venue in any court in which any claim which is subject to indemnification hereunder is brought against any Indemnified Party and to the assignment of the benefit of this section to any Indemnified

Party for the purpose of enforcement, provided that nothing herein shall limit the Corporation's right or ability to contest the appropriate jurisdiction or forum for the determination of any such claim.

(g) Notwithstanding the provisions of this Section 10.8, the foregoing rights of indemnity shall not enure to an Indemnified Party if the Corporation has complied with the provisions of Section 10 and the claim for indemnification relates to a person asserting a claim in respect of an alleged untrue statement in or alleged omission from the Prospectus, or any amendment thereto, and such person was not provided with a copy of the document which corrects such alleged untrue statement or untrue omission and which is required, under applicable law, to be sent or delivered to such person by such Indemnified Party.

10.9 The Corporation will take all necessary action to register the Corporation in a timely manner, whenever the business or property of the Corporation makes such registration necessary.

10.10 The Corporation will take all necessary action to complete its application for listing of the Common Shares on the Exchange with all reasonable diligence after the Closing but, in any event, the Corporation shall submit all required documents for listing on the Exchange within 10 business days of the Closing Date.

10.11 The Corporation will promptly deliver to the Agent all documents or information requested by the Agent in relation to the transactions contemplated in this Agreement and in relation to the performance by the Agent of its due diligence investigations in respect of the Preliminary Prospectus and the Prospectus and the listing of the Common Shares on the Exchange, including, without limitation, personal information forms for all insiders, due diligence certificates of the Corporation and of all insiders, financial statements, consent of insiders to background, credit, educational and other checks, shareholders lists and business plans.

10.12 The Agent can, in its sole discretion, retain at the Corporation's expense, any agents, experts, professionals or others which it deems necessary or advisable in order to perform its obligations and due diligence procedures under this Agreement and in accordance with the Policy and Exchange Policy 2.2, and the Corporation covenants that it will comply with all reasonable requests by such agents, experts or professionals in respect of their investigations into the business and affairs of the Corporation, including any requests for access to the Corporation's operations, property and facilities.

10.13 Until the Corporation completes a Qualifying Transaction, the Corporation will comply with all applicable provisions of the Policy. The Corporation will use its reasonable best efforts to maintain its status as a reporting issuer not in default of any Securities Legislation in the Offering Jurisdictions for a period of 18 months following the date that its Common Shares are listed and posted for trading on the Exchange and will use its best efforts to maintain its listing on the Exchange during such 18 months and to complete a Qualifying Transaction within such 18 months.

10.14 The Corporation shall make its directors and officers available for such investor information meetings, and for such one-on-one meetings with investors, as the Agent shall request in respect of the Offering.

ARTICLE 11
COVENANTS OF THE AGENT

11.1 The Agent hereby covenants, subject to the conditions contained in Article 12 hereof, to use its reasonable best efforts to solicit subscriptions for the Offered Common Shares in the Offering Jurisdictions and, without limiting the generality of the foregoing, to obtain subscriptions from at least 200 Subscribers, each of such Subscribers:

(a) purchasing at least 1,000 Offered Common Shares free of Resale Restrictions (as defined in the Policy) exclusive of any Offered Common Shares held by Non-Arm's Length Parties (as defined in the Policy) to the Corporation;

(b) individually purchasing no more than 2% of the Offered Common Shares and, in conjunction with such Subscriber's Associates and Affiliates (as those terms are defined in the Exchange Policy 1.1), purchasing no more than 4% of the Offered Common Shares; and

(c) not being a Non-Arm's Length Party (as that term is defined in the Exchange Policy 1.1) to the Corporation (provided, however, that any Subscriber in excess of the 200 minimum Subscribers may be a Non-Arm's Length Party if that party complies with the requirements of the Policy).

11.2 The Agent hereby covenants, subject to the conditions contained in Article 12 hereof, to solicit subscriptions for the Offered Common Shares only from subscribers resident in the Offering Jurisdictions.

11.3 The Agent hereby covenants and agrees that it will not solicit subscriptions for Offered Common Shares except in compliance with applicable law, the rules, policies and by-laws of the Exchange and the terms and conditions set forth in the Prospectus and this Agreement.

11.4 The obligation of the Agent to execute any certificate or deliver any documents pertaining to the Preliminary Prospectus and the Prospectus shall be subject to the provisions hereof and compliance by the Corporation to the date of such execution and delivery with each of its covenants contained in this Agreement to be complied with prior to the filing of either the Preliminary Prospectus or the Prospectus, as the case may be.

11.5 The Agent covenants and agrees that it shall:

(a) provide all such notices and documents as may be required in connection with the Offering, including those required for the Prospectus by the orders, policies, rules, regulations, by-laws and procedures of the Commissions and the Exchange which govern capital pool company offerings, as amended from time to time; and

(b) deliver to the Exchange as soon as reasonably possible after the Closing Date, a Distribution Summary Statement as required by Section 1.4(h) of Policy 2.3 of the Exchange.

ARTICLE 12
CONDITIONS OF THE AGENT'S OBLIGATIONS

12.1 The obligations of the Agent contained in this Agreement may be terminated by the Agent in the event that prior to the Time of Closing:

(a) any order operating to restrict, prevent or cease trading in the Common Shares is made pursuant to the Securities Legislation;

(b) there is any material breach or non-performance of any of the covenants of the Corporation herein contained which has not been rectified, remedied or waived forthwith;

(c) any authority having jurisdiction, including any stock exchange, commences or gives notice that it intends to commence any inquiry or investigation in relation to the Corporation, its affairs, records or accounts or any of the directors or officers of the Corporation, or into any holdings or transactions in the securities of the Corporation;

(d) any inquiry, investigation or other proceeding (whether formal or informal) in relation to the Corporation or any of its directors or officers is commenced, announced or threatened, or any order is issued by any federal, provincial or other government authority or by any stock exchange, or there is any change of law which, in the sole opinion of the Agent, operates or will operate to prevent or to restrict the trading of the Common Shares or the distribution of any Common Shares or materially adversely affects or may materially adversely affect the marketability of the Offered Common Shares;

(e) there shall occur any changes (actual, anticipated, contemplated or threatened) in the assets, liabilities, business or operations of the Corporation which, in the sole opinion of the Agent, could reasonably be expected to have a material adverse effect on the market price or value of the Common Shares or materially adversely affects or may materially adversely affect the marketability of the Offered Common Shares;

(f) there should develop, occur or come into effect or existence any event, action, state, condition or financial occurrence of national or international consequence or any governmental action, law, regulation, inquiry or other occurrence of any nature whatsoever which, in the sole opinion of the Agent, materially adversely affects or involves or will materially adversely affect or involve, the financial markets generally or the business, operations, affairs or financial condition of the Corporation, or the marketability of the Offered Common Shares;

(g) any new or amended Prospectus discloses information which, in the sole opinion of the Agent, acting reasonably, may result in the Subscribers of a material number of the Offered Common Shares exercising their rights under Securities Legislation to withdraw from or rescind their purchase thereof at any time prior to the Closing;

(h) there is any amendment to Securities Legislation which, in the sole opinion of the Agent, acting reasonably, will impose any limitations or restrictions on the exercise of the Agent's Option or on the subsequent trading of Agent's Option Shares which are acquired, or which may be acquired, by the Agent under the Agent's Option; or

(i) the Agent is not satisfied, in its sole discretion, with the results of its due diligence investigations.

12.2 Any termination of any of the obligations of the Agent hereunder pursuant to the provisions hereof shall be effected by notice to the Corporation. Notwithstanding the giving of any notice of termination hereunder, the provisions of Section 10.8 and all rights of action in connection therewith shall survive such termination and the fees and expenses agreed to be paid by the Corporation, referred to in Articles 3 and 14, incurred up to the time of the giving of such notice shall be paid by the Corporation. The rights of the Agent to terminate this Agreement are in addition to such remedies as it may have in respect of any default, Misrepresentation, act or failure to act of the Corporation in respect of any of the transactions contemplated in this Agreement.

ARTICLE 13
THE CLOSING

13.1 Subject to the terms and conditions hereof, the Closing shall take place at the Time of Closing at the offices of the Corporation's counsel, or such other location in the City of Calgary, in the Province of Alberta, as the Agent and the Corporation may agree.

13.2 At the Time of Closing, the Corporation shall deliver to the Agent a certificate, in form and substance satisfactory to counsel for the Agent, signed by the President and Chief Executive Officer of the Corporation and by the Chief Financial Officer and Secretary of the Corporation, dated the Closing Date, addressed to the Agent to the effect that, after a reasonable investigation:

(a) the representations and warranties contained herein are true and correct in all material respects at and as at the Time of Closing after giving effect to the transactions contemplated by the Prospectus;

(b) the Corporation has complied in all material respects with all covenants and satisfied all the conditions contained herein on its part to be performed or satisfied at or prior to the Closing Date;

(c) no order suspending the sale or ceasing the trading of the Common Shares or any other securities of the Corporation has been issued and no proceedings for that purpose have been instituted or are pending or are, to the knowledge of such officers, contemplated or threatened by the Commissions, the Exchange, or any other securities commission or stock exchange;

(d) such officers have carefully examined the Prospectus and since the respective dates as of which information is given in the Prospectus, except as set forth in and contemplated thereby, the Corporation has not incurred any material amount of liabilities or obligations (absolute, accrued, contingent or otherwise) and there has been no material adverse change in the assets or financial position of the Corporation; and there has occurred no event required to be set forth in an amended Prospectus which has not so been set forth, including any transaction or intended transaction not in compliance with the Policy; and

(e) no material event of default under any agreement or instrument to which the Corporation is a party has occurred and no event which with the giving of notice or the passage of time or both would constitute an event of material default under any such agreement or instrument has occurred and is continuing.

13.3 At the Time of Closing, the Agent shall receive a favourable legal opinion addressed to the Agent and its counsel, from counsel to the Corporation, substantially to the effect that:

(a) the Corporation has been duly incorporated and organized and is valid and subsisting under the laws of the Province of Alberta, and has all requisite corporate power and capacity to carry on its business as now conducted and as proposed in the Prospectus to be conducted;

(b) the authorized and issued capital of the Corporation is as disclosed in the Prospectus; other than as disclosed in the Prospectus, there are no rights, options or warrants for the purchase of any unissued securities of the Corporation; the issued capital of the Corporation has been validly issued in accordance with applicable corporate and securities laws and is fully paid and non-assessable;

(c) the Offered Common Shares have been duly and validly authorized, created and allotted, and when issued, assuming the full payment of the purchase price therefor, the Offered Common Shares will be issued as fully paid and non-assessable securities of the Corporation;

(d) all necessary corporate action has been taken by the Corporation to authorize the grant of the Agent's Option and the issuance of the Agent's Option Shares to the Agent on exercise of the Agent's Option, and the Agent's Option Shares, when issued and sold in accordance with the terms of the Agent's Option Agreement, including receipt of the exercise price therefor, will be validly issued as fully paid and non-assessable securities of the Corporation;

(e) the form of the definitive certificate representing the Common Shares has been approved and adopted by the directors of the Corporation and complies with the requirements of Securities Legislation and the *Business Corporations Act* (Alberta) relating thereto;

(f) the Exchange has conditionally granted the application for the listing of the 700,000 Common Shares issued and outstanding, the Offered Common Shares, the Agent's Option Shares and the 105,000 Common Shares reserved for issuance upon exercise of stock options issuable pursuant to the Corporation's stock option plan, subject to completion of documentation and evidence of satisfactory distribution;

(g) this Agreement, the escrow agreement referred to in the Prospectus (the "Escrow Agreement") and the Agent's Option Agreement have been duly authorized by all necessary corporate action by the Corporation and have been duly executed and delivered by the Corporation and constitute valid and binding obligations of the Corporation and each is enforceable against the Corporation in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;

(h) the execution and delivery by the Corporation of this Agreement, the Escrow Agreement and the Agent's Option Agreement, and the performance of and compliance with the terms thereof do not and will not result in the breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under (i) any applicable law of Canada or the Province of Alberta, (ii) any term or provision of the articles, by-laws or minutes and resolutions of the directors or shareholders of the Corporation, or (iii) of which counsel is aware, any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which the Corporation is bound on the Closing Date, as applicable, which might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation, or its properties or assets;

(i) the Trustee at its principal offices in the City of Calgary has been duly appointed the transfer agent and registrar for the Common Shares;

(j) all necessary documents have been filed, all necessary proceedings have been taken, and all other legal requirements have been fulfilled as required under the laws of Canada and the Securities Legislation of each of the Offering Jurisdictions in order to qualify the Offered Common Shares for distribution and sale to the public, and the Agent's Option for distribution to the Agent, in each of such Offering Jurisdictions, by or through registrants duly registered under the Securities Legislation of such Offering Jurisdictions who have complied with the relevant provisions of such Securities Legislation;

(k) the issuance of Agent's Option Shares by the Corporation upon exercise of the Agent's Option in accordance with the terms and conditions of the Agent's Option Agreement to the holders of the Agent's Option, where all such holders are resident in the Offering Jurisdictions, is exempt from the prospectus and registration requirements of the Securities Legislation of the Offering Jurisdictions, and no filing, proceeding, permit, approval, consent, authorization or order of any court or public, governmental or regulatory agency or body is required to be made, taken or obtained under the laws of Canada and the Securities Legislation of each of the Offering Jurisdictions to permit the issuance by the Corporation of Agent's Option Shares to the holders of the Agent's Option on exercise of the Agent's Option in accordance with the terms and conditions of the Agent's Option Agreement, provided that no commission or remuneration is paid or given in respect of the distribution except for administrative or professional services or for services performed by a registered dealer;

(l) the first trade in the Offering Jurisdictions of the Agent's Option Shares will be exempt from the prospectus requirements of the Securities Legislation and no other documents are or will be required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of regulatory authorities required to be obtained under the Securities Legislation in connection with any such trade made through a registrant properly registered under the Securities Legislation who has complied with the requirements thereof, provided that: (A) the trade is not a "control distribution" (as defined in Multilateral Instrument 45-102 - Resale of Securities); (B) the Corporation is a "reporting issuer" in the applicable Offering Jurisdiction at the time of the trade, and (C) such sale is not a trade constituting a transaction or source of transactions involving the purchase and sale or the repurchase and resale in the course of or incidental to a "distribution" as defined in the Securities Legislation; and

(m) such other matters as the Agent or its counsel may reasonably request in connection with this Offering.

In giving the foregoing opinions, counsel for the Corporation may rely upon opinions of local counsel, acceptable to the Agent, as to the laws of jurisdictions other than the jurisdictions in which such counsel is licensed to practice law, if any, and as to matters of fact not within their knowledge, upon certificates as to such facts, signed, in the case of the Corporation, by the President and Chief Executive Officer, and by the Chief Financial Officer and Secretary of the Corporation.

13.4 At the Time of Closing, the Corporation shall direct the Trustee, as the registrar and transfer agent for the Common Shares, to issue the Offered Common Shares in accordance with the instructions of the Agent.

13.5 At the Closing, the Corporation shall deliver to the Agent payment of the Agent's Commission as provided for in Article 3 hereof, payment of the balance of the Corporate Finance Fee in the amount of $5,000 (plus applicable G.S.T.) as provided for in Article 3 hereof, and payment of the Agent's out-of-pocket expenses and the fees and disbursements of the Agent's legal counsel (plus applicable G.S.T. and P.S.T.) as provided for in Article 14 hereof, net of the $7,500 (plus G.S.T.) payment already paid by the Corporation, the receipt of which is hereby acknowledged.

ARTICLE 14
EXPENSES OF THE ISSUE

14.1 Notwithstanding any termination of this Agreement or the cancellation of its obligations by the Agent pursuant to Article 12 hereof, the Corporate Finance Fee (plus G.S.T.) and all of the costs and expenses of or incidental to the Offering and the creation, issue and offering of the Offered Common Shares including, without limitation, the fees and expenses of counsel for the Corporation and counsel for the Agent, all other reasonable expenses incurred by the Agent in connection with the Offering (including all reasonable out-of-pocket costs of the Agent and additional search fees as may be incurred by the Agent for any database searches required for individuals or companies), the cost of printing and delivering the definitive certificates for the Offered Common Shares, the fees and disbursements of the transfer agent, the cost of preparing, printing and delivering the Preliminary Prospectus and the Prospectus to the Agent and the associated fees prescribed by the Securities Legislation and the Exchange in connection with the Offering, shall be paid by the Corporation whether or not the Offering is completed as contemplated.

ARTICLE 15
NOTICES

15.1 Any notice required or permitted to be given hereunder shall be in writing and shall be deemed to have been given or made when delivered at the addresses of the relevant party set forth below or such other address as a party may stipulate in writing:

(a) to the Corporation at:

OHS Capital Corp.
88 Rosewood Road
Calgary, Alberta T2K 1N1
Attention: Gordon R. Travis

with a copy to:

Gowling Lafleur Henderson LLP
1400, 700 – 2nd Street SW
Calgary, Alberta T2P 2Z1
Attention: Evan D. Low
Facsimile: (403) 263-9193

(b) to the Agent at:

Golden Capital Securities Ltd.
Suite 168, 1177 West Hastings Street
Vancouver, British Columbia V6E 2K3
Attention: Steven Paquin
Facsimile: (604) 682-8874

with a copy to:

Clark, Wilson
Barristers and Solicitors
800- 885 West Georgia Street
Vancouver, British Columbia V6C 3H1
Attention: Bernard Pinsky
Facsimile: (604) 687-6314

(c) to the Trustee at:

CIBC Mellon Trust Company
600, 333 – 7th Avenue SW
Calgary, Alberta T2P 2Z1
Attention: Cathy Sargeant
Facsimile: (403) 264-2100

ARTICLE 16
RIGHT OF FIRST REFUSAL

16.1 If the Offering is achieved, the Corporation hereby grants to the Agent a right of first refusal, effective for a period of eighteen months following the Closing Date, to act as its sole and exclusive Sponsor for the Corporation's Qualifying Transaction, and its sole and exclusive agent (in respect of a best efforts offering) or underwriter (in respect of an underwritten or bought deal offering), as the case may be, with respect to any distribution of any securities of the Corporation. The right of first refusal is subject to the following terms:

(a) in the event the Corporation receives a proposal which would be binding and enforceable if it were executed and delivered by the parties thereto from an investment dealer or dealers in Canada or the United States of America, other than the Agent (collectively, the "Dealer"), pursuant to which the Dealer agrees or offers to act as the Corporation's Sponsor for a Qualifying Transaction, or the Corporation's agent or underwriter to conduct a distribution of any of the Corporation's securities, whether on an agency, underwritten or bought deal basis, the Corporation shall forthwith provide written notice (the "Notice") thereof to the Agent;

(b) the Notice shall contain the terms and conditions pursuant to which the Dealer has proposed to act as the Corporation's Sponsor for a Qualifying Transaction and/or the Corporation's agent or underwriter, including the consideration to be received by such Dealer for its services and the consideration to be received by the Corporation for its securities, if known;

(c) the Agent shall have a period of five business days after receipt of the Notice (the "Notice Period") to act as Sponsor, and/or the agent or underwriter, as the case may be, on behalf of the Corporation on the terms and conditions contained in the Notice and, if the Agent so elects, the Corporation hereby agrees to engage the Agent to act as Sponsor and/or conduct the said distribution to the public as its agent or underwriter, as the case may be, provided that the Corporation may retain other agents or underwriters to act as co-agents or co-underwriters, as the case may be, in respect of up to 40% of the gross proceeds of the said distribution; and

(d) if the Agent declines or fails to elect within the Notice Period to act as Sponsor and/or conduct the distribution to the public as agent or underwriter on behalf of the Corporation, the Corporation shall be entitled for a period of ninety days beginning upon the expiry of the Notice Period, to engage the Dealer on the same terms and conditions set forth in the Notice. Upon expiry of such ninety day period or in the event that such terms and conditions of the said engagement with the Dealer change from those set forth in the Notice, the Corporation shall not be entitled to enter an engagement or agreement with the Dealer or any other Dealer without complying with sub-paragraphs 16.1(a) to (d) inclusive.

ARTICLE 17
MISCELLANEOUS

17.1 Time shall be of the essence with respect to the terms and conditions of this Agreement.

17.2 This Agreement may be executed in several counterparts and may be represented by facsimile, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution, shall be deemed to bear the date as of the date above written.

17.3 All warranties, representations, covenants, indemnifications and agreements herein contained or contained in certificates or documents submitted pursuant to or in connection with the transactions herein along with all rights of action in connection therewith shall survive the Closing of the Offering and shall continue in full force and effect following the Closing Date for the benefit of the Agent and for the benefit of the Corporation.

17.4 This Agreement supersedes all other agreements, documents, writings and verbal understandings among the parties relating to the subject matter hereof and represents the entire agreement between the parties relating to the subject matter hereof.

17.5 This Agreement shall be construed and interpreted, and the rights and obligations of the parties arising hereunder shall be governed, by the laws of the Province of Alberta. The parties agree that the courts of Alberta shall have non-exclusive jurisdiction over any dispute, termination or breach of any kind or nature whatsoever arising out of or in connection with this Agreement.

17.6 All the terms and provisions of this Agreement shall be binding upon, enure to the benefit of and be enforceable by and against the parties hereto and their respective successors and assigns, but shall not be assignable, before or after the Time of Closing, without the written consent of the other parties hereto.

17.7 The Agent may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith.

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective the day and year first above written.

OHS CAPITAL CORP.

Per: "*Gordon R. Travis*" ____________________

Per: ____________________

GOLDEN CAPITAL SECURITIES LTD.

Per: "*Peter Chu*" ____________________

Per: ____________________

CIBC MELLON TRUST COMPANY

Per: "*Teri Zaghetto*" ____________________

Per: "*Cathy Sargeant*" ____________________

SCHEDULE “A”

SHARE OPTION AGREEMENT

THIS AGREEMENT is made as of the ______ day of______________, 2004.

BETWEEN

OHS CAPITAL CORP., a corporation incorporated under the laws of the Province of Alberta, with an office in the City of Calgary, in the Province of Alberta

(the “**Corporation**”)

AND

GOLDEN CAPITAL SECURITIES LTD., a corporation incorporated under the laws of British Columbia, with an office at 168 – 1177 West Hastings Street, Vancouver, British Columbia V6E 2K3

(the “**Agent**”)

WHEREAS the Corporation has agreed pursuant to an agency agreement dated the _____ day of July, 2004, among the Corporation, the Agent and CIBC Mellon Trust Company (the “**Agency Agreement**”) to grant to the Agent an option to purchase the Optioned Shares (as defined below) in consideration of the Agent’s services performed under the Agency Agreement;

NOW THEREFORE in consideration of the premises, mutual covenants and agreements herein and therein contained, this agreement witnesses that and it is understood and agreed by and between the parties hereto as follows:

1. Grant of Option

Subject to the provisions hereinafter contained, the Corporation hereby grants to the Agent an irrevocable, non-transferable option (the “**Option**”) to purchase up to but not exceeding 100,000 common shares (the “**Optioned Shares**”) in the capital stock of the Corporation, as presently constituted, at a price of $0.30 per share.

2. Term of Option

The Agent may exercise the Option on or before 4:30 p.m., Calgary time, on the date (the “**Expiry Time**”) that is 18 months from the date the issued and outstanding common shares in the capital of the Corporation are listed and posted for trading on the TSX Venture Exchange (the “**Exchange**”), after which time all rights granted hereunder shall terminate.

3. Manner of Exercise

The Agent may exercise the Option in whole or in part, at any time and from time to time, on or prior to the Expiry Time, by notice in writing given by the Agent to the Corporation at its address for notice set out in the Agency Agreement, specifying the number of Optioned Shares in respect of which it is exercising and accompanied by payment in cash or certified cheque for the purchase price of all of the Optioned Shares specified in such notice.

The Agent agrees that a maximum of 50,000 Optioned Shares obtained by the Agent pursuant to the exercise of this Option may be sold prior to the completion of a Qualifying Transaction (as defined by Policy 2.4 of the Exchange) by the Corporation. The remaining 50,000 Optioned Shares may only be sold after the completion of a Qualifying Transaction (as defined in Policy 2.4 of the Exchange) by the Corporation. The Exchange may vary these requirements in exceptional circumstances upon application by the Agent.

4. Share Certificates

Upon exercise of the Option, the Corporation shall cause the transfer agent and registrar of the Corporation to deliver to the Agent, or as the Agent may otherwise in writing direct in the notice of exercise of option, within 3 business days following the receipt by the Corporation of payment for the number of Optioned Shares so exercised, a certificate or certificates representing in the aggregate the number of Optioned Shares for which payment has been received by the Corporation.

5. No Rights as a Shareholder Until Exercise

The Agent shall have no rights whatsoever as a shareholder (including any rights to receive dividends or any other distribution to shareholders or to vote at a general meeting of shareholders of the Corporation) other than in respect to shares in respect of which the Agent shall have exercised its right to purchase hereunder and which the Agent shall have actually taken up and paid for.

6. Non-Transferable

The rights conferred upon the Agent hereunder shall be non-transferable and non-tradable.

7. No Fractional Common Shares

No fractional Optioned Shares will be issued on exercise of this Option or any compensation made for such fractional Optioned Shares, if any.

8. Adjustments in Event of Change in Common Shares

In the event, at any time or from time to time, of a subdivision, consolidation or reclassification of the share capital of the Corporation, the payment of stock dividends by the Corporation or other relevant changes in the capital of the Corporation prior to the exercise by the Agent, in full, of the Option in respect of all of the shares granted herein, the Option with respect to any Optioned Shares which have not been purchased hereunder at the time of any such change to the capital of the Corporation shall be proportionately adjusted so that the Agent shall from time to time, upon the exercise of the Option, be entitled to receive the number of shares of the Corporation it would have held following such change in the capital of the Corporation if the Agent had purchased the shares and had held such shares immediately prior to such change in the capital of the Corporation.

9. Merger, Amalgamation or Sale

If, during the term of the Option, the Corporation shall become merged or amalgamated into or with any other corporation or shall sell the whole or substantially the whole of its assets and undertaking for shares or securities of another corporation, the Corporation will make provision that, upon the exercise of the

Option during its unexpired period after the effective date of such merger, amalgamation or sale, the Agent shall receive such number of shares of the continuing or successor corporation in such merger or amalgamation or of the securities or shares of the purchasing corporation as it would have received as a result of such merger, amalgamation or sale if the Agent had purchased shares of the Corporation immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale. Upon such provision being made, the obligation of the Corporation to the Agent in respect of its shares then remaining subject to the Option shall terminate and be at an end.

10. Reservation of Shares

The Corporation shall at all times during the term of this Agreement reserve and keep available a sufficient number of unissued common shares to satisfy the requirements hereof.

11. Enurement

Except as otherwise set forth herein, this Agreement shall be binding upon and enure to the benefit of the respective successors and assigns of the Agent and of the Corporation.

12. Time

Time shall be of the essence of this Agreement.

IN WITNESS WHEREOF the parties hereto have hereunto executed and delivered this Agreement as of the day and year first above written.

OHS CAPITAL CORP.

Per: ____________________________________

Per: ____________________________________

GOLDEN CAPITAL SECURITIES LTD.

Per: ____________________________________

Per: ____________________________________